

Indiana State Teachers' Retirement Fund

Request for Proposal

for

Investment Consulting Services

Inquiry Period Ends: December 2, 2005, 3:00 p.m.

Response Due Date: December 23, 2005, 3:00 p.m.

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Indiana State Teachers' Retirement Fund Request for Proposal (RFP)

SECTION ONE GENERAL INFORMATION

1.1 INTRODUCTION

The Indiana State Teachers' Retirement Fund ("TRF" or "Fund") is soliciting proposals from investment consulting firms responsible for providing the services described in Exhibit A, Scope of Work.

TRF is a non-profit, quasi-state organization that was established in 1921 as a result of legislative action. The purpose of TRF is to administer pensions for Indiana State Teachers. TRF provides service to members and their employers for all of the pension funds administered by TRF, having as its goal the accumulation of data and funds in order to provide accurate and prompt retirement benefits.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are defined where they appear, rather than in the following list.

Board	Board of Trustees of TRF.
IAC	The Indiana Administrative Code.
IC	The Indiana Code.
TRF or Fund	Indiana State Teachers' Retirement Fund.
Proposal	An offer.
Respondent	An offeror who submits a proposal.
Services	Work to be performed as specified in this RFP.
Vendor	Any successful Respondent selected as a result of the procurement process to deliver services requested by this RFP.

1.3 ISSUER

TRF has issued this RFP in accordance with Indiana statutes governing TRF's administration. The staff of TRF has prepared the content herein. One (1) copy of this RFP may be provided free of charge from TRF, or a copy may be obtained from TRF's website (www.in.gov/trf). A nominal fee will be charged for providing additional hard copies.

1.4 DUE DATE AND FORMAT FOR PROPOSALS

All proposals must be received at the address below no later than December 23, 2005, at 3:00 p.m. Each Respondent must submit one original proposal (marked "Original"), one copy of the proposal in CD ROM format, and two additional copies of the proposal, including the transmittal letter and other related documentation as required in Sections 4.2 and 4.3 of this RFP. The proposal must be addressed/delivered to:

Robert D. Newland
Chief Investment Officer
Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204

Any proposal received after the due date will not be considered. Any late proposals will be returned, unopened, to the Respondent, upon request, within thirty (30) days of filing.

1.5 MODIFICATION OR WITHDRAWAL OF OFFERS

Responses to this RFP may be modified or withdrawn in writing or by fax notice received prior to the date specified for receipt of proposals. The Respondent's authorized representative may also withdraw the proposal in person, providing his or her identity is made known and he or she signs a receipt for the proposal. Proposals may not be withdrawn after the proposal due date has passed.

Modification to or withdrawal of a proposal received after the date specified for receipt of proposals will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for proposals, a supplement will be posted by TRF on its website (www.in.gov/trf). If such addenda issuance is necessary, TRF reserves the right to extend the due date of proposals to accommodate such interpretations or additional data requirements.

1.6 JOINT BIDS / SUBCONTRACTING

TRF will not entertain joint bids.

Although TRF anticipates that any Respondent submitting a proposal will provide the major portion of the services as requested, subcontracting by the Respondent is acceptable in performing the requirements of this RFP. However, the Respondent must obtain the approval of TRF before subcontracting any portion of the project's requirements. The Respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and outline the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all state of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in TRF's evaluation. The Respondent must furnish information to TRF regarding the amount of

the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by TRF. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate TRF officials, and such relationships must meet with the approval of TRF.

1.7 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Indiana Public Records Act, IC 5-14-3 et seq., and, after the contract award, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Indiana Public Records Act must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of that envelope that confidential materials are included. The Respondent must also specify which statutory exception provision applies. TRF reserves the right to make determinations of confidentiality. If TRF does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the Respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, TRF will remove the proposal from consideration for award and return the proposal to the Respondent. TRF will not determine prices to be confidential information.

1.8 RFP RESPONSE COSTS

TRF accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

1.9 PROPOSAL LIFE

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date for proposals. Any proposal accepted by TRF for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by TRF.

1.10 TAXES

TRF is exempt from federal, state, and local taxes. TRF will not be responsible for any taxes levied on the Respondent as a result of any contract resulting from this RFP.

1.11 SECRETARY OF STATE REGISTRATION

Before an out-of-state Respondent can do business with TRF, the Respondent must be registered with the Indiana Secretary of State. If an out-of-state Respondent does not have such registration at present, the Respondent should contact

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576

for the necessary application form. It is each Respondent's responsibility to register prior to the initiation of any contract discussions.

1.12 DISCUSSION FORMAT

TRF reserves the right to conduct discussions, either oral or written, with those Respondents determined by TRF to be reasonably viable to being selected for award. TRF also reserves the right to conduct clarifications to resolve minor issues.

1.13 SUMMARY OF MILESTONES

The following is the expected timeline for the RFP.

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
RFP published/released	November 14, 2005
Respondent's inquiry period ends	December 2, 2005
Proposal submission date	December 23, 2005
Discussions and or site visits	January 2006
Selection of Vendor	January/February,2006
Notify selected Vendor	February, 2006
Contract execution	March, 2006

SECTION TWO PROPOSAL PROCEDURES

2.1 CONTACTS

Inquiries are not to be directed to any staff or Board member of TRF, except as outlined in Section 2.3. Such unauthorized communication(s) may disqualify Respondent from further consideration. The Fund reserves the right to discuss any part of any response for the purpose of clarification. Respondents will be given equal access to any communications regarding the RFP that take place between the Fund and other Respondents.

2.2 PRE-PROPOSAL CONFERENCE

It is the decision of the Board that no pre-proposal conference is required for this RFP.

2.3 INQUIRIES ABOUT THE RFP

All inquiries and requests for information affecting this RFP must be submitted via e-mail to:

Robert D. Newland
Chief Investment Officer
rnewland@trf.IN.gov

no later than December 2, 2005, at 3:00 p.m. TRF reserves the right to judge whether any questions should be answered in writing, and copies will be distributed to all prospective Respondents who are known to have received a copy of the original RFP.

2.4 RESPONDENT SITE VISITS

TRF may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's proposal.

2.5 CONTRACT AWARD

Based on the results of this process, the qualifying proposal determined to be the most advantageous to TRF, taking into account all of the evaluation factors, may be selected by TRF for further action, such as contract award. If, however, TRF decides that no proposal is sufficiently advantageous to TRF, TRF may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, TRF may begin contract preparation with the next qualified Respondent or determine that it does not wish to award a contract pursuant to this RFP.

TRF reserves the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

SECTION THREE LENGTH OF CONTRACT

3.1 LENGTH OF CONTRACT

The contract term shall be for a period of five (5) years beginning on the date of final execution and ending March 31, 2010.

SECTION FOUR PROPOSAL PREPARATION INSTRUCTIONS

4.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal or the proposal may be rejected.
- The transmittal letter should be in the form of a letter. The business proposal must be organized under the specific section titles as listed below.
- TRF may, at its option, allow all Respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, TRF will contact each Respondent affected. Each Respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by TRF as a minor error or omission and may result in disqualification of the proposal from further evaluation.

A complete proposal will include the following:

1. Hard copy submission of a transmittal letter (with the information in Section 4.2)
2. Hard copy submission of a Business Proposal (with the information and attachments described in Section 4.3)
3. Completed Questionnaire.
4. Original, two copies, and CD ROM of entire proposal as outlined in Section 1.4

4.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics:

4.2.1 Identification

The transmittal letter must first identify the RFP.

4.2.2 Summary of Ability and Desire to Supply the Required Services

The transmittal letter must briefly summarize the Respondent's ability to supply the requested services. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP including, but not limited to, TRF's standard contract clauses.

4.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations must sign the transmittal letter. Respondent personnel signing the transmittal letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

4.2.4 Other Information

Any other information the Respondent may wish to briefly summarize will be acceptable.

4.3 BUSINESS PROPOSAL

The Business Proposal must contain the following items:

4.3.1 Ability to Perform Scope of Work

Respondent should demonstrate in this section its ability to meet the requirements set forth in Exhibit A, Portfolio Description and Scope of Work.

4.3.2 Contract

Exhibit C is a copy of TRF's standard Contract for Services, hereinafter known as "Contract" The following Sections of the Contract have been determined to be mandatory by the Indiana Attorney Generals office and cannot and will not be amended or deleted:

Section 17. Nondiscrimination

Section 19. Taxes

Section 21. Compliance with Laws

Section 22 Governing Laws

Section 23. Indemnification

Section 32. Maintaining a Drug-Free Workplace

Section 33. Drug-Free Workplace Certification

Section 35. Ethics Requirement

Section 36. Non-Collusion and Acceptance

Section 37. Acknowledgement of Fiduciary Liability Status is a mandatory requirement of the Board of Trustees.

Respondents should review these clauses in detail because a specific agreement to these clauses is required in the Transmittal Letter. If a respondent wishes to suggest alternative wording for one or more of these mandatory clauses, or any other clauses, without changing the intent, these suggestions may, at the respondent's option, be documented in this section of the Business Proposal. The respondent's suggested language will be considered by TRF during the contract negotiation process. TRF's willingness to consider alternative language does not change the requirement that the respondent agree in the Transmittal Letter to the acceptance of TRF mandatory clauses as written.

4.3.3 Pricing

TRF requests that the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date. Please present your firm's fee proposal for providing general investment consulting services as set forth in Exhibit A, Portfolio Description and Scope of Work. Note that performance measurement and reporting are optional retainer services that should be priced separately.

If projects listed in the scope of services do not fall within your retainer services, indicate which would be charged on a project basis and include a listing of hourly rates for members of the firm that will be effective for the contract period. Provide cost estimates for completing an asset/liability modeling study and for completing additional manager searches.

4.3.4 References

The Respondent should include a list of at least three (3) clients for whom the Respondent has provided consulting services that are the same or similar to those services requested in this RFP. Any state government or pension fund for which the Respondent has provided these products and services should be included. Also to be included should be clients with locations near Indianapolis, as site visits may be arranged. Information provided should include the name, address, and telephone number of the client facility and the name, title, e-mail address, and phone/fax numbers of a person who may be contacted for further information.

4.3.5 Registration to do Business

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state by the Indiana Secretary of State. The address contact information for this office may be found in Section 1.11 of this RFP. This process must be concluded prior to contract negotiations with TRF. It is the successful Respondent's responsibility to complete the required registration with the Secretary of State. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

4.3.6 Subcontractors

The Respondent must list any subcontractors that are proposed to be used in providing the required services. The subcontractor's responsibilities under the proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal.

SECTION FIVE PROPOSAL EVALUATION

TRF reserves the right to award this contract to the firm which, in its sole opinion, will provide the best match to the requirements of the RFP. TRF is not required and will not be obligated to award this contract to the firm with the lowest cost.

Upon submission of the responses to the RFP, the responses will be evaluated by members of the TRF Staff. During the evaluation, interviews may be conducted with some or all of the candidate firms. A determination to execute a contract may also be made without a formal interview based upon action taken by the TRF Board of Trustees. The final evaluation and selection will be made by the TRF Board of Trustees.

TRF reserves the right to reject respondents due to their noncompliance with the requirements of this RFP. Additionally, TRF reserves the right not to hire or defer the hiring of any firm for investment consulting services.

EXHIBIT A
PORTFOLIO DESCRIPTION AND SCOPE OF WORK

At the point of contract, a final detailed agreement concerning services and performance expectations will be agreed upon between TRF and the successful firm. The terms of the final contract between TRF and the successful firm will be binding and supersede this RFP. However, this RFP and the successful firm's proposal will be incorporated into the contract. In addition, the contract will require the successful firm to acknowledge, in writing, that it is a fiduciary with respect to TRF.

I. PORTFOLIO DESCRIPTION

The TRF administered pension plan is comprised of a defined benefit portion and a defined contribution portion (described below). As of September 30, 2005, total plan assets were \$7.13billion. Of this total, \$4.04 billion were defined benefit assets (employer contribution) and \$3.09 billion were defined contribution (employee contributions). Although the defined benefit and defined contribution assets are commingled for investment purposes, target asset allocation decisions apply to the defined benefit portion . The current asset allocation for the defined benefit portion is as follows:

	<u>Actual</u>	<u>Target</u>
U.S. Equity	51.3%	42.0%
International Equity	20.5%	18.0%
Domestic Fixed Income	21.6 %	25.0%
Private Equity	1.9%	5.0%
Real Estate	0.1%	5..0%
Absolute Return	4.6%	5.0%

The TRF benefit structure also provides members a defined contribution account, referred to as an Annuity Savings Account or ASA. The ASA contains 3% of each employee's annual salary, plus allowable voluntary contributions, and payment into the account is mandatory. The ASA offers members five investment options, one of which is the Guaranteed Fund. Guaranteed Fund assets are invested in bonds and stocks. The rate credited to members' accounts is determined annually by the TRF Board. The remaining ASA options consist of, Bond Fund, S&P 500 Stock Index Fund, U.S. Small Companies Stock Fund, and International Stock Fund..

II. SCOPE OF WORK

The general consultant must be capable of providing advice and recommendations on all asset classes. The firm selected for this mandate will provide general investment consulting services to the TRF Staff and Board of Trustees. These services include the following:

A. Meeting Participation/Availability

Attend the following meetings with TRF Board Members and/or Staff on and off site:

- 1) When requested, monthly TRF Board meetings;
- 2) When requested, due diligence meetings with investment managers and Staff
- 3) Formal interviews with existing and potential investment managers;
- 4) Ad hoc Investment meetings with Board members and TRF Staff;

In completing these activities, we estimate that there will be fourteen (14) days of meetings with the Board of Trustees and/or members of the staff held annually. There will also be frequent telephone discussions with Staff relating to all investment issues covered by this assignment.

B. Formulation and Review of Investment Goals, Objectives, and Policies

Provide ongoing advice and technical support in the establishment and refinement of portfolio asset allocation, investment goals, objectives, and policies. The consultant will use asset allocation models, as requested by staff, to determine the influence of differing asset mixes and investment style strategies on the projected return to TRF and the projected risk resulting from differing asset mixes and strategies.

C. Asset/Liability Modeling Studies

TRF will periodically engage the services of the investment consultant and actuary to conduct an asset liability modeling study. The investment consultant selected for this assignment must have demonstrated capabilities in this area. The asset/liability modeling study is on a project basis only.

D. Investment Manager Search/Selection

Provide TRF with eight manager searches over the term of this contract under General Advisory services. A manager search is defined by the specific investment role, not by the number of managers selected to implement the role. Additional searches, if needed, will be provided on a pre-approved fee basis. The search and selection process will include the following:

- Meeting with Staff and the Board to discuss the search objectives;
- Providing Staff with a preliminary list of candidates and summary analysis;
- Meeting with Staff to determine candidates for further analysis and interviews;
- Providing TRF with a detailed written comparative analysis (a search report) on each candidate surviving the initial review process;
- Arranging and participating in preliminary candidate interviews and assisting in the finalist selection;
- Conducting on-site due diligence visits with Staff and primary search candidates, as appropriate;

- Developing summary interview materials for the Board's use;
- Meeting with the Board to review the search report; and
- Attending finalist presentations, and assisting the Board in selecting investment managers.

E. Performance Monitoring

Perform ongoing review of portfolio performance; of the underlying investments; and of the investment managers. Evaluate investment manager performance in terms of effective implementation of investment strategy, performance versus established benchmarks, organizational stability, and adherence to the investment contract. Identify current or anticipated underperformance within the portfolio, recommend corrective action, and participate in implementing the recommendations. The consultant will also assist TRF with rebalancing activities and transition management as needed.

F. Educational Sessions / Policy Development

Provide TRF with up to two educational sessions annually on specific topics. The purpose of these sessions is to educate and update TRF staff and Board regarding current investment topics and trends in the capital market.

G. Performance Measurement and Reporting (Price as Optional)

Prepare and present written and verbal quarterly summaries of investment manager activities and performance to the Board of Trustees. Calculate investment performance. Reconcile discrepancies in the returns calculated by your firm versus the returns calculated by TRF's investment managers. Assist Staff in resolving return discrepancies.

H. Review of Fees and Contracts

Review guidelines and objectives for new and existing investment managers, review benchmarks, contracts and fees, recommend revisions, and participate in negotiations with investment managers to effect revisions. Identify and recommend new investment opportunities, liquidation or restructuring of existing investments and allocations to existing managers.

I. Other

Conduct such services under the contract as may be reasonably asked of an investment consultant by a public pension plan.

EXHIBIT B
QUESTIONNAIRE

A. Organizational Summary

1. Please give a brief history of the firm including the year organized, the year the firm began providing investment consulting services to U.S. tax-exempt clients, and the nature of the firm's ownership and specific details with regard to any affiliated companies or joint ventures.
2. Please provide the location and function of each of your firm's offices, include the number of professionals at each office and which services are provided by each office. Indicate which office would service this account.
3. Please list your firm's lines of business and the approximate contributions of each business to your organization's total revenue. If you are an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your subsidiary or affiliate generate?
4. Please provide details on the financial condition of your firm. Most recent annual reports filed with the SEC will be acceptable, but any recent material changes should be included. Please also include a copy of your most recent ADV Part II.
5. Describe the key features of your firm's business continuation and disaster recovery plans.
6. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
 - total assets or client relationships that will be accepted,
 - maximum limits on asset amounts or number of clients per consultant
 - plans to develop and expand resources, merge or acquire other firms, spin off subsidiaries.
7. Over the past five years, has your organization or any of its affiliates or parent, or any officer or principal been involved in any business litigation or other legal proceedings related to your consulting or investment activities? If so, provide a brief explanation and indicate the current status.
8. Is your firm, its parent or affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?
9. Does your firm provide investment management services to U.S. tax-exempt investors? If so, to what extent?
10. Has any principal, officer, or manager of the firm or organization plead guilty to, plead nolo contendere to, or otherwise been convicted or indicted of any crime involving theft, veracity, truthfulness, conversion of property, fraud, identity theft or any felony? If so, please explain the circumstances.

B. Assets Advised

1. Identify the total number of consulting clients on retainer, by type (corporate plan, public plan, etc). What

is the average client to consultant ratio? What is the maximum number of clients assigned to a consultant?

2. Provide a listing of clients lost or gained during the past three years, including asset size, type of plan and length of relationship for lost clients. Indicate if the primary consultant, who would be assigned to the TRF account, was the primary or backup consultant for either the clients gained or lost.
3. Provide a listing of all public fund clients. Include the size of the fund, the length of service to them and indicate those funds that have renewed your contract in the past 12 months.
4. How do you measure success for clients? Where is your firm most likely to add value for TRF?
5. What trends or changes (legislative, regulatory, or other) do you see that you believe will impact public pension funds?
6. What are the key issues facing public pension funds today and what are your comments/recommendations for each?

C. Personnel

1. Identify the different classification of employees within the firm and the totals for each classification (i.e. consultants, research analysts, etc.)
2. Identify and provide biographies of the primary and backup consultant who would be assigned to this engagement. How many clients do these consultants currently serve? Who are the clients these consultants currently serve? Which of these consultants would attend the TRF Board meetings?
3. Please describe your firm's back-up procedures in the event the primary consultant assigned to this account should leave the firm or is not available to attend a scheduled meeting.
4. Have any senior personnel left the firm in the last three years? If so, please indicate when and why. In which products were they involved? For personnel who have left, indicate job titles, years with the firm, when they left, and who replaced them.
5. Please discuss the compensation package available to your firm's professional staff, including any incentive bonuses and how they are awarded. Please be detailed and specific without necessarily disclosing dollar amounts.
6. What other programs do you have in place to retain key staff? Please be detailed and specific.
7. Please describe your internal training procedures for consultants, research analysts, and performance measurement specialists.

D. Asset Allocation Model / Issues

1. Describe your firm's capabilities in providing asset allocation consulting services to TRF.
2. How often does your firm recommend a formal review of asset allocation studies?
3. Describe your firm's capital markets model and methodology. Is the model proprietary, or does your firm

rely on an outside vendor's model? If your firm relies on an outside vendor, indicate the name of the vendor, name of the model, etc.

4. What trends do you foresee with each of the asset classes going forward?
5. Discuss your firm's view and methodology for incorporating liabilities into this process. What are the pros/cons?
6. For public pension funds, what types of asset liability modeling are important and what scenarios would you suggest?
7. How does your firm develop inputs to the asset allocation model? How frequently do you update these models?
8. Does your firm develop standard inputs to the asset allocation model for all clients? Can these inputs be customized based upon individual client views, needs or requirements?
9. Provide your firm's current inputs to the asset allocation model. Include at a minimum expected returns, standard deviations and correlation coefficients for U.S. equities (large caps, small caps, total market), international equities (developed and emerging markets), global equities, U.S. bonds, U.S. TIPS, international bonds, treasury bills, real estate and any other significant asset classes for which your firm has developed inputs.
10. What is the range of target allocations which you are currently recommending to your public fund clients?
11. With a low funding ratio (42%) and low active member/retiree ratio (2to1), what type of asset allocation strategy would you recommend and why?
12. Describe your firm's view on risk budgeting? Have you created a risk budget model that is utilized by your clients?
13. Provide a copy of a recently prepared asset allocation study for a comparable public plan. If necessary, you may remove client identifying information.

E. Manager Searches

1. Describe in detail your manager database and search process. Include the criteria used to make manager recommendations.
2. Describe how firms get into your database?
3. Has your most recent manager searches resulted in the same manager being selected for multiple clients? Provide the results (table format) for the three most recent manager searches for U.S. equities, non-U.S. equities, fixed-income and real estate managers. At a minimum identify the finalist candidates and indicate which firm was selected.
4. How many managers should a \$7 billion pension fund employ?

5. Describe your firm's experience in retaining alternative investment managers (direct real estate, private equity, hedge funds, etc.)
6. Provide a "finals" report for a recently completed public markets manager search.

F. Performance Measurement and Portfolio Analytics

1. Describe the content and format of your firm's quarterly performance reports for the total fund, major asset classes, and individual investment managers. Provide a sample report for one of your firm's clients that are structured similarly to TRF.
2. Can these reports be customized to accommodate TRF information needs? Are there charges for these additional information requests? Within what time frames can these requested changes be implemented?
3. What is the anticipated turnaround time for each report (number of calendar days after returns are submitted to your firm)?
4. Describe your firm's source, if any, to determine comparable plan sponsor returns. Indicate the size (#'s and \$'s), composition (#'s and \$'s), and data compilation method.
5. Describe your firm's view on the most relevant methods of evaluating performance.
6. Describe your firm's performance attribution capabilities. Include a breakdown of domestic and international performance attribution capabilities. Describe your firm's fixed income attribution model.
7. Are your performance reports and attribution analysis tools available on-line?
8. Describe how your firm will obtain data from TRF's Master Trustee and investment managers.
9. Describe your firm's quality control procedures. How does your firm verify the accuracy of data received from the Master Trustee?
10. What is your firm's step-by-step process for return reconciliation? How will discrepancies between your firm and the managers be investigated and resolved?

G. Manager Evaluations

1. Describe your firm's philosophy with respect to manager evaluations (formal review, ad hoc, etc).
2. Describe your firm's manager rating system. Include in your discussion the minimum requirements for a firm to become rated and how often firm ratings are re-evaluated.
3. Provide a copy of three recently completed external investment manager's performance evaluations.
4. How often are on-site due diligence visits conducted with your client's managers?
5. If you became convinced that a particular change was necessary to the structure, management or objective of one of your client's existing investments or investment managers, what process would you follow in

promoting adoption of the change?

H. Alternative Assets / Passive Management

1. Discuss the role of alternative assets (including real estate) within a pension fund portfolio.
2. For each of the various alternative asset classes, discuss the strengths/weaknesses of the following investment decision making structures: authority delegated to the consultant, authority delegated to staff, or authority retained by Board, in sourcing and evaluating opportunities. Is there another decision making structure that you would recommend?
3. Identify your firm's view of appropriate and inappropriate alternative investments for a public fund.
4. Discuss your firm's view of portable alpha strategies.
5. Discuss your firm's expertise with respect to alternative assets.
6. Discuss your firm's weaknesses with respect to alternative assets. Do you use outside services/consultants for these areas and if so, who and why?
7. Describe your firm's view of the role of passive management (by asset class) in your client's portfolio. Indicate the active/passive allocation in your typical public pension fund clients.

I. Research Capabilities

1. Describe your firm's commitment to research and system enhancements.
2. Provide three samples of original research reports recently issued by your firm. (Do not include market commentary)
3. Discuss the structure of your firm's research department. Include a discussion of staff's compensation and areas of focus or expertise.
4. List notable publications that have included your firm's research.
5. What is your firm's core competency?

J. Other Issues

1. Describe your firm's capabilities in providing educational opportunities for trustees and staff. Does your firm hold an annual investment conference for its clients?
2. Describe your firm's ability to support issues related to securities lending and commission recapture.
3. What is your firm's recommendation on currency hedging?

K. TRF Board Questions and Disclosures Recommended by the SEC

1. Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided all the disclosures required under those laws (including Part II of Form ADV)?
2. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, describe those relationships?
3. Do you or a related company receive any payments from money managers you recommend, consider for recommendation or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relation to your other income (revenue)?
4. Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?
5. If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commissions paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?
6. If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?
7. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?
8. If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the plan while providing the consulting services we are seeking?
9. Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?
10. What percentage of your plan clients utilize money managers, investment funds, brokerage services or other service providers from whom you receive fees?

EXHIBIT C
CONTRACT FOR SERVICES

This contract is between the Indiana State Teachers' Retirement Fund (hereinafter referred to as "TRF" or "Fund") and _____ (hereinafter referred to as "Contractor").

WHEREAS, the Fund desires to contract for services in the area of investment consulting;
and

WHEREAS, Contractor is willing to provide such services;

NOW, THEREFORE, the above-named parties enter into this contract upon the following terms and conditions:

1. Duties of Contractor

The Contractor shall provide the following services relative to this contract: See Attachment A, Scope of Services, incorporated by reference.

2. Consideration

The Contractor will be paid at the rate of: See Attachment B, Schedule of Fees, incorporated by reference.

3. Term

The contract term shall be for a period of five (5) years beginning on the date of final execution and ending March 31, 2010.

4. Independent Contractor

Both parties hereto, in the performance of this contract, will be acting in an individual capacity and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume any liability for any injury (including death) to any persons, or any damage to any property arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

The Contractor shall be responsible for providing all necessary unemployment and worker's compensation insurance for the Contractor's employees.

5. Work Standards

The Contractor agrees to execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the Fund becomes dissatisfied with the work product or the working relationship with those individuals assigned to work on this Contract, the Fund may request in writing the replacement of any or all such individuals.

Contractor hereby represents that it is a registered investment advisor within the meaning of the Investment Advisors Act of 1940.

6. Confidentiality of Fund Information

The Contractor understands and agrees that data, materials, and information disclosed to Contractor may contain confidential and protected data; therefore, the Contractor promises and assures that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this contract, will not be disclosed to others or discussed with other parties without the prior written consent of the Fund.

7. Confidentiality of Data, Property Rights in Products, and Copyright Prohibition

The Contractor further agrees that all information, data, findings, recommendations, proposals, etc., by whatever name described and by whatever form therein, secured, developed, written, or produced by the Contractor in furtherance of this contract shall be the property of the Fund and that the Contractor shall take such action as is necessary under law to preserve such property rights in and of the Fund while such property is within the control and/or custody of the Contractor. By this contract, the Contractor specifically waives and/or releases to the Fund any cognizable property right of the Contractor to copyright, license, patent, or otherwise use such information, data, findings, recommendations, proposals, etc. Notwithstanding the foregoing, the Fund agrees that any proprietary research performed by the Contractor shall not be the property of the Fund.

8. Ownership of Documents and Materials

All documents, records, programs, data, film, tape, articles, memos, and other materials developed under this contract shall be considered “work for hire,” and the Contractor transfers any ownership claim to the Fund and all such matters will be the property of the Fund. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the Fund is prohibited. During the performance of the services specified herein, the Contractor shall be responsible for any loss or damage to these materials developed for or supplied by the Fund and used to develop or assist in the services provided herein, while they are in the possession of the Contractor and any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this contract shall be available to the Fund.

9. Reports

The Contractor shall submit reports to the Fund upon request. The reports shall be written and in a form agreed to between the Fund and Contractor.

At Fund's request and at mutually agreed upon times, Contractor shall meet with the Fund to review Contractor's performance. Contractor shall be available to answer questions by Fund staff and Board members from time to time as needed without additional charge.

10. Audit Settlement

If an error is discovered as a result of an audit performed by Contractor or Fund, Contractor shall use its best efforts to promptly correct such error or to cause the appropriate party to correct such error.

11. Access to Records

The Contractor and its subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the cost incurred, and shall make such materials available at their respective offices at all reasonable times during the contract period and for seven (7) years from the date of final payment under the contract for inspection by the Fund or by any other authorized representative of the Fund, and copies thereof shall be furnished at no cost to the Fund if requested.

Upon execution of this contract, Fund will provide Contractor with a list of Authorized Persons who will be permitted to advise, inform, and direct Contractor on Fund's behalf, together with signature specimens of certain Authorized Persons who may execute specific tasks under this contract. The list of Authorized Persons and any changes to such list shall be made in writing to Contractor and signed by Fund's Director or the Director's designee. Until notified of any such change, Contractor may rely on and act upon instructions and notices received from an Authorized Person identified on the then-current list furnished by Fund.

All Authorized Instructions shall be in writing and transmitted by first class mail, private express courier, facsimile, or other authenticated electronic transmissions; *provided, however*, that Contractor may, in its discretion, accept verbal Authorized Instructions subject to written confirmation of same from such Authorized Person. Such Authorized Instructions shall bind Contractor upon receipt. If Contractor receives instructions or notices from a source other than an Authorized Person, Contractor shall not comply with them and shall immediately notify Fund's Executive Director in writing of such unauthorized instructions or notices.

12. Assignment

The Contractor shall not assign or subcontract the whole or any part of this contract without the Fund's prior written consent, except that the Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the Fund, provided that Contractor gives written notice (including evidence of such assignment) to the Fund thirty (30) days in advance of any payment so assigned. Assignment shall cover all unpaid amounts under this contract and shall not be made to more than one party.

13. Successors and Assignees

The Contractor binds his successors, executors, administrators, and assignees to all covenants of this contract. Except as above set forth, the Contractor shall not assign, sublet, or transfer interest in this contract without the prior written consent of the Fund.

14. Key Person(s)

In the event that both parties have designated in an appendix that the individual(s) therein named are essential to the services offered pursuant to this contract, the parties agree that in the event that such individual or individuals are no longer employed during the term of this contract by the Contractor for whatever reason, the Fund shall have the right to terminate this contract, without penalty, upon thirty (30) days prior written notice.

In the event that the Contractor is an individual or a closely held corporation (as defined under Indiana law, *see, e.g., Barth v. Barth*, 659 N.E.2d 559, 561, fn.5, [and cited authority therein]), the individual or person on behalf of the corporation responsible for primary contact between the Contractor and the Fund at the commencement of this contract shall be considered a key person and, as such, essential to the contract. Substitution of another for the Contractor shall not be permitted without express written permission from the Fund.

Nothing in this Section 14 should be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

15. Changes in Work

In the event the Fund requires a major change in scope, character, or complexity of the work after the work has progressed, adjustments in compensation to the Contractor shall be determined by the Fund in the exercise of its honest and reasonable judgment, and the Contractor shall not commence any additional work or change of the scope of work until authorized in writing by the Fund. No claim for additional compensation shall be made in the absence of a prior written approval executed by all signatories hereto.

16. Force Majeure; Suspension and Termination

In the event that either party is unable to perform any of its obligations under this contract or to enjoy any of its benefits because of (or if failure to perform the services is caused by) natural disaster, actions or decrees of governmental bodies or communication line failure not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance.

17. Nondiscrimination

Pursuant to IC 22-9-1-10 and the Civil Rights Act of 1964, Contractor and its subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of his race, color, religion, sex, disability, national origin or ancestry. Breach of this covenant may be regarded as a material breach of contract. Acceptance of this contract also signifies compliance with applicable Federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran.

18. Termination

Notwithstanding anything to the contrary, this contract may be terminated, in whole or in part, by the Fund, for any reason, by delivery of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of services under which such termination becomes effective. The Contractor shall be compensated for services rendered prior to the effective date of termination. The Fund will not be liable for services performed after termination. The Contractor shall be compensated for services herein provided, but in no case shall total payment made to Contractor exceed the original contract price due on contract. In no event shall Fund's termination of the contract under this Section be deemed a waiver of Fund's right to make a claim against Contractor for damages resulting from any default by Contractor which occurred prior to the Effective Termination Date. Additionally, pursuant to IC 5-10.3-5-6, the Fund may terminate this contract immediately in the event that the Board, in its sole discretion, considers such action necessary to protect the Fund.

In the event of any termination of this contract, all terms and conditions herein shall continue to apply through the Effective Termination Date and through any period following such date during which Contractor shall continue to perform the services required under this contract, in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor Contractor ("Transition Period"). Such Transition Period shall not exceed thirty (30) days after the Effective Termination Date. If Fund terminates this contract, and unless otherwise expressly directed by Fund, Contractor shall take all necessary steps to stop services under this contract on the Effective Termination Date.

Upon any termination of this contract by Fund and to the extent directed by Fund, Contractor

shall continue to serve as a Contractor hereunder at the then-existing compensation level for the duration of the Transition Period. After the additional services have been performed, and the Transition Period is completed, Contractor may seek compensation for the Transition Period at its then-existing compensation level. Contractor shall cooperate with Fund in good faith to effect a smooth and orderly transfer of such services and all applicable records by the Effective Termination Date.

19. Taxes

The state of Indiana is exempt from state, federal, and local taxes. The Fund will not be responsible for any taxes levied on the Contractor as a result of this contract.

20. Penalties/Interest/Attorney's Fees

The Fund will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law.

21. Compliance with Laws

The Contractor agrees to comply with all applicable federal, state, and local laws, rules, regulations or ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this contract shall be reviewed by the Fund and the Contractor to determine whether the provisions of the contract require formal amendment.

22. Governing Laws

This contract shall be construed in accordance with and governed by the laws of the state of Indiana and suit, if any, must be brought in the state of Indiana.

23. Indemnification

Contractor agrees to indemnify, defend, and hold harmless the state of Indiana and its agents, officers, and employees from all claims and suits including court costs, attorney's fees, and other expenses arising from or related to any act of bad faith, negligence, intentional or willful misconduct, breach of fiduciary duty, or any other negligent act or omission of Contractor and/or its agents, if any, in the performance of this contract. The Fund shall not provide such indemnification to Contractor.

24. Substantial Performance

This contract shall be deemed to have been substantially performed only when fully performed according to its terms and conditions and any modification thereof.

25. Waiver of Rights

No right conferred on either party under this contract shall be deemed waived and no breach of this contract excused, unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.

26. Payments

All payment obligations shall be made in arrears in accordance with Indiana law and the State's fiscal policies and procedures.

27. Disputes

Should any disputes arise with respect to this contract, the Contractor and the Fund agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.

The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this contract which are not affected by the dispute. Should the Contractor fail to continue without delay to perform its responsibilities under this contract in the accomplishment of all non-disputed work, any additional costs incurred by the Contractor or the Fund as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the state of Indiana for such costs.

The Fund may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the Fund to the Contractor of one or more invoices not in dispute in accordance with the terms of this contract will not be cause for Contractor to terminate this contract, and the Contractor may bring suit to collect without following the dispute procedure contained herein. This section shall not be construed to limit the right of either party to terminate the contract pursuant to the terms of the "Termination" section of the contract.

28. Changes

Contractor shall notify Fund in writing within three (3) business days of any of the following changes: (1) Contractor becomes aware that any of its representations, warranties, and covenants set forth herein cease to be materially true at any time during the term of this contract; (2) there is any material change in Contractor's senior personnel assigned to perform service under this contract; (3) there is any change in control of Contractor; (4) Contractor becomes aware of any other material change in its business management structure or its business organization, including without limitation the filing for bankruptcy relief.

29. Investigations and Complaints

To the extent permitted by applicable law, Contractor shall promptly advise Fund in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding

relating to or affecting Contractor's ability to perform its duties under this contract which is commenced by any of the following: (1) any Attorney General or any regulatory agency of any state of the United States; (2) any U.S. Government department or agency; or (3) any governmental agency regulating business in any country in which Contractor is doing business. Except as otherwise required by law, Fund shall maintain the confidentiality of all such information until investigating entity makes the information public.

30. Notice to Parties:

Whenever any notice, statement, or other communication shall be sent to the Fund or Contractor, it shall be sent to the following address, unless otherwise specifically advised.

Notices to the Fund shall be sent to:

Robert D. Newland, Chief Investment Officer
Indiana State Teacher's Retirement Fund
150 West Market Street
Suite 300
Indianapolis, IN 46204

Notices to the Contractor shall be sent to:

31. Authority to Bind

Notwithstanding anything in this contract to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute agreements on its behalf.

32. Maintaining a Drug-Free Workplace

Contractor hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this contract a drug-free workplace, and that it will give written notice to the Fund within ten (10) days after receiving actual notice that an employee of Contractor has been convicted of a criminal drug violation occurring in Contractor's workplace.

In addition to the provisions of subparagraph a. above, if the total contract amount set forth in this contract is in excess of \$25,000.00, Contractor hereby further agrees that this contract is expressly subject to the terms, conditions, and representations contained in the Drug-Free Workplace Certification executed by Contractor in conjunction with this contract.

It is further expressly agreed that the failure of Contractor to in good faith comply with the terms of subparagraph a. above, or falsifying or otherwise violating the terms of the certification referenced in subparagraph b. above, shall constitute a material breach of this contract, and shall

entitle the Fund to impose sanctions against the Contractor including, but not limited to, suspension of contract payments, termination of this contract and/or debarment of the Contractor from doing further business with the Fund for up to three (3) years.

33. Drug-Free Workplace Certification

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Fund is requiring the inclusion of this certification in all contracts with and grants from the PERF in excess of \$25,000. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000, shall be valid unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of the contract or agreement and/or debarment of contracting opportunities with the Fund for up to three (3) years.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and

Establishing a drug-free awareness program to inform employees that (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace.

Notifying all employees in the statement required by subparagraph (a) above that as a condition of continued employment the employee will (1) abide by the terms of the statement; and (2) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

Notifying in writing the Fund within ten (10) days after receiving notice from an employee under subdivision (c)(2) above, or otherwise receiving actual notice of such conviction;

Within thirty (30) days after receiving notice under subdivision (c)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and

Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

34. Minority and Women's Business Enterprise Compliance

The Contractor agrees to comply fully with the provisions of the Contractor's MBE/WBE participation plans, and agrees to comply with all Minority and Women's Business Enterprise statutory and administrative code requirements and obligations, including IC 4-13-16.5 and 25 IAC 5.

The Contractor further agrees to cooperate fully with the Minority and Women's Business Enterprise division to facilitate the promotion, monitoring, and enforcement of the policies and goals of MBE/WBE program including any and all assessments, compliance reviews, and audits that may be required.

35. Ethics Requirement

The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code § 4-2-6 et seq., the regulations promulgated thereunder, Executive Order 04-08, dated April 27, 2004, and Executive Order 05-12, dated January 10, 2005. If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <<<<http://www.in.gov/ethics/>>>>. If the Contractor or its agents violate any applicable ethical standards, TRF may, in its sole discretion, terminate this contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under Indiana Code § 4-2-6-12.

36. Non-Collusion and Acceptance

The undersigned attests under penalties of perjury that he is the contracting party, or that he is the representative, agent, member or officer of the contracting party, that he has not, nor has any other member, employee, representative, agent or officer of the firm, company, corporation or partnership represented by him, directly or indirectly, to the best of his knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he has not received or paid, any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement.

37. Acknowledgement of Fiduciary Liability Status

Contractor agrees that it is a fiduciary to the Fund and will perform its duties under this agreement solely in the interests of the Fund's members and beneficiaries and with the care, skill, prudence, and diligence that an expert would use on his/her own behalf.

38. Disclosure

Contractor shall file an Annual Disclosure Report with TRF that discloses any actual or potential conflicts of interest on July 1 of each year of the agreement, beginning July 1, 2006. The Contractor shall provide TRF with its policies and procedures that it has adopted under Rule 206(4)-7 of the Investment Advisors Act of 1940 ("Advisors Act"). Contractor agrees to include in its Annual Disclosure Report to TRF any violations of the Contractor's policies and procedures under Rule 206(4)-7 of the Advisors Act that relate to investment or investment-related activities by or on behalf of TRF.

The parties, having read and with full understanding of the foregoing terms of the contract, do by their respective signatures dated below hereby agree to the terms herein, including, if this contract is in excess of \$25,000, the Drug-Free Workplace Certification.

CONTRACTOR

By: _____
Printed Name: _____
Title: _____
Date: _____

Attested By: _____
Printed Name: _____
Title: _____
Date: _____

A. Indiana State Teachers' Retirement Fund

Robert D. Newland, Chief Investment Officer

Date